

**Articles of Incorporation
of
Ballston Quarter Community Development Authority**

The undersigned, pursuant to Chapter 51, Title 15.2 of the Code of Virginia, adopts the following Articles of Incorporation for the Ballston Quarter Community Development Authority and states as follows:

Article I

Name

The name of this Authority is BALLSTON QUARTER COMMUNITY DEVELOPMENT AUTHORITY (the "Authority").

Article II

Organization

Pursuant to an ordinance adopted by the County Board of Arlington County, Virginia ("County Board") on July 16, 2016 (the "Ordinance"), the Authority shall be organized by Arlington County, Virginia (the "County") under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended) (the "Act"), as a public body corporate and politic and a political subdivision governed by the laws of the Commonwealth of Virginia.

Article III

Members

The affairs of the Authority shall be conducted by an authority board of a number of authority board members ("CDA Board") equal to the number of members of the County Board. The initial CDA Board members are as set forth in Exhibit A attached hereto and incorporated by reference. As ordained by the County Board in accordance with the Act, the initial and all subsequent members of the CDA Board shall be the then-current members of the County Board. The initial members shall serve the terms of office set forth in Exhibit A hereto. The election of officers of the Authority shall be as set forth in the By-Laws of the Authority. Qualifications and appointment of members of the CDA Board shall be consistent with the requirements of the Act.

The CDA Board shall have the powers and duties set forth in the Act and in these Articles of Incorporation and the By-Laws, to the extent that such powers and duties are not inconsistent with the Act.

Article IV

Principal Office

The Authority's initial principal office shall be c/o County Manager, Arlington County, Virginia, 2100 Clarendon Boulevard, Arlington, Virginia 22201. The Authority may conduct its business and maintain offices for such purposes at such other places within or without the County as may from time to time be deemed advisable by the CDA Board, and not in conflict with the requirements of the Act.

Article V

Authority District

The land initially encompassed within the Authority is set forth in Exhibit B attached hereto (the "Initial Authority District") provided that the boundaries of the Initial Authority District (a) may be expanded by the County Board by subsequent ordinance upon petition filed pursuant to the Act and (b) may be adjusted by the County to exclude certain land as long as the owners of at least fifty-one percent (51%) of the land area or assessed value of land remaining in the CDA district after the adjustment originally petitioned for the creation of the CDA.

Article VI

Purposes and Powers

The Authority is organized for the purpose of exercising all powers granted by the Act, including financing, planning, acquiring and constructing the public infrastructure, facilities and services generally described in the Petition to create the Authority attached hereto as Exhibit C. The Authority shall have all powers granted to a "community development authority" under the Act.

Article VII

Not-for-Profit

The Authority shall not be organized or operated for pecuniary gain or profit. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable to any member, director, officer, or any other private person, except that the Authority shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in Article VI.

Article VIII

Amendment of Articles

These Articles of Incorporation may be amended at any time and from time to time by the County Board as now or hereafter prescribed by the Act.

Article IX

Registered Office and Registered Agent

The address of the initial registered office of the Authority is Stephen A. MacIsaac, Arlington County Attorney, 2100 Clarendon Boulevard, Suite 403, Arlington, Virginia 22201. The initial Registered Agent of the Authority is Stephen A. MacIsaac, whose business address is identical to that of the initial registered office and who is a resident of Virginia and a member of the Virginia State Bar.

Article X

Initial Members

The names and addresses of the initial members of the CDA Board are as set forth on the attached and incorporated Exhibit A.

Article XI

Indemnification

(a) For purposes of this Article XI the following definitions shall apply:

(i) “expenses” include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amounts expended in asserting a claim for indemnification;

(ii) “liability” means the obligation to pay a judgment, settlement, penalty, fine, or other such obligation;

(iii) “legal entity” means a corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise; and

(iv) “proceeding” means any threatened, pending, or completed action, suit, proceeding or appeal whether civil, criminal, administrative or investigative and whether formal or informal.

(b) In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of

directors or officers of a corporation to the corporation, the members, directors and officers of the Authority shall not be liable to the Authority.

(c) The Authority shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right of the Authority) because such individual is or was a member, director or officer of the Authority or because such individual is or was serving the Authority or any other legal entity in any capacity at the request of the Authority while a member, director or officer of the Authority, against all liabilities and reasonable expenses incurred in the proceeding except such liabilities and expenses as are incurred because of such individual's willful misconduct or knowing violation of the criminal law. Service as a member, director or officer of a legal entity controlled by the Authority shall be deemed service at the request of the Authority. The determination that indemnification under this paragraph (c) is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made, in the case of a member or director, as provided by law, and in the case of an officer, as provided in Section (d) of this Article; provided, however, that if a majority of the members of the Authority has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the CDA Board and such person. Unless a determination has been made that indemnification is not permissible, the Authority shall make advances and reimbursements for expenses incurred by a member, director or officer in a proceeding upon receipt of an undertaking from such member, director or officer to repay the same if it is ultimately determined that such member, director or officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the member, director or officer and shall be accepted without reference to such member's, director's or officer's ability to make repayment. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a member, director or officer acted in such a manner as to make such member, director or officer ineligible for indemnification. The Authority is authorized to contract in advance to indemnify and make advances and reimbursements for expenses to any of its members, directors or officers to the same extent provided in this paragraph (c).

(d) The Authority may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its members, directors and officers pursuant to paragraph (c) of this Article, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the members, directors, officers, employees and agents of its subsidiaries and predecessor entities, and any person serving any other legal entity in any capacity at the request of the Authority, and may contract in advance to do so. The determination that indemnification under this paragraph (d) is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the CDA Board, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. No person's rights under paragraph (c) of this Article shall be limited by the provisions of this paragraph (d).

(e) The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Special legal counsel selected to make determinations under this Article may be counsel for the Authority. Indemnification pursuant to this Article shall not be exclusive of any other right of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Authority and indemnification under policies of insurance purchased and maintained by the Authority or others. However, no person shall be entitled to indemnification by the Authority to the extent such person is indemnified by another, including an insurer. The Authority is authorized to purchase and maintain insurance against any liability it may have under this Article or to protect any of the persons named above against any liability arising from their service to the Authority or any other legal entity at the request of the Authority regardless of the Authority's power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Authority from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provision of this Article or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article, and to this end the provisions of this Article are severable.

(f) No amendment, modification or repeal of this Article shall diminish the rights provided hereunder to any person arising from conduct or events occurring before the adoption of such amendment, modification or repeal.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation as of the 27th day of July, 2016, as duly authorized by Ordinance adopted by the County Board of Arlington County, Virginia on July 16, 2016.

By: Mark J. Schwartz
County Manager, Arlington County,
Virginia

Exhibit A

Names and Addresses of Initial Members

	Term of Office	
	<u>Commences</u>	<u>Expires</u>
Libby Garvey Arlington County Board 2100 Clarendon Blvd. Suite 300 Arlington, VA 22201	July 16, 2016	12/31/2016
Jay Fisette Arlington County Board 2100 Clarendon Blvd. Suite 300 Arlington, VA 22201	July 16, 2016	12/31/2017
John Vihstadt Arlington County Board 2100 Clarendon Blvd. Suite 300 Arlington, VA 22201	July 16, 2016	12/31/2018
Christian Dorsey Arlington County Board 2100 Clarendon Blvd. Suite 300 Arlington, VA 22201	July 16, 2016	12/31/2019
Katie Cristol Arlington County Board 2100 Clarendon Blvd. Suite 300 Arlington, VA 22201	July 16, 2016	12/31/2019

Exhibit B

Description of Initial Authority District

Tax Map Parcel Numbers

<u>Tax Map Parcel</u>	<u>Owner</u>	<u>Acreage</u>
14059028	Ballston Acquisition Company, LLC	0.93974
14059036	FC Ballston Common, LLC	0.99070
14059035	FC Ballston Common, LLC	3.05861
	Total Acreage:	4.98905 acres

Exhibit C
Petition to Create Authority

80762368_1